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1 SEP 1972

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MEMORANDUM FOR: Chief, Printing Services Division, OL

SUBJECT : Current Office Copying Operations in the
Agency with Recommendations

REFERENCE : Memo dtd 8 Aug 72 to C/PSD thru C/SS/PSD
[REDACTED] subject: Equipment Approvals STATINTL

1. The purpose of this paper is to provide an up-to-date picture of the office copying operations in the Hqs. area in order to help determine whether managerial improvements may be required at this time. [REDACTED] conscientious but frequently futile efforts to encourage cost/effectiveness in copying systems, [REDACTED] recent memo, and the recent appointment of [REDACTED] to assume the task of approval of copying machines are all reasons why I feel that Agency copying machine operations need to be reappraised and PSD's responsibilities redefined. In addition, the Agency's recent concern about unauthorized use of copiers, the formation of the Information Control Board and the recent upgrading of the Records Management Board suggest also that this is an appropriate time for a review. STATINTL

2. The current trends in Agency coping are toward speed, convenience and quality in spite of substantial increased cost. Approximately 47% of Hqs. copiers are now Xerox and they account for 85% of the print volume. The number of Xerox machines has increased by 50% since 1968 and the volume of Xerox printing has tripled. The sharing of machines with other adjacent components and the copy center concept have met with very limited success. Overall copy volume has increased by 140% since the OPPB survey which is a faster rate than was predicted. PSD copying facilities are being fully utilized. As components obtain faster machines, there is more tendency to use them for longer runs (75-100) which are normally considered work for duplicating presses.

3. There are now about 34 million one-sided copies created annually (30 stacks as high as the Washington Monument). The cost of equipment,

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rentals, supplies and labor now exceeds one million dollars each year. There are 109 Xerox machines and approximately 128 copiers of other types now in use (see Att A).

4. PSD is charged by Agency regulation with "making a technical review of all requests for printing and reproduction equipment." However, the need to review the technical suitability of today's highly efficient copiers for Hqs. use is minimal - they are well engineered for the most part and will copy all types of documents. Ninety percent of PSD's current reviewing efforts are concerned with the economic aspects, in resolving the requirements for speed, print quality, convenience of operation and balancing these factors against costs. This often becomes a highly subjective judgment and hours of our efforts are frequently wasted, as mentioned by [REDACTED] since the individual requesters are usually able to overrule our recommendation, if necessary, to get what they feel they want. STATINTL

5. Another regulation charges PSD with "reviewing utilization - to ensure most efficient and economical accomplishment of required service consistent with operational requirements." In 1968 the DDS recommended to OPPB that the individual directorates assume responsibility for proper management and utilization of copying equipment rather than have PSD to "review utilization" as stated in the regulations; but, we see very little indication today of directorate level control of this million dollar operation and we may well have a "management gap."

6. Because of our compartmentalized, decentralized mode of operation, the only person with a complete, accurate, current, overview of the Hqs. area's 109 Xerox installations is the Xerox salesman himself. Because the individual 109 monthly meter readings are each mailed directly to Xerox, the local salesman alone is able to "review utilization" on a current basis. On special request Xerox will provide a quarterly computer print-out of production on our machines from Rochester.

7. As a practical matter, the overriding reason for the spectacular growth in copying volume and cost in the Agency is the continuing improvement in Xerox equipment, their ingenious pricing techniques and sales methods. The current salesmen, with minimal security clearance and

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with a list of 220 names, business phones and room numbers of Agency employees (current Xerox users, many of whom are under cover) in all of the Hqs. area buildings, is making his daily rounds to persuade these people that they need to upgrade their equipment to the new Xerox 4000, which costs a minimum of \$600 a year more for the same number of prints but prints them faster and thus saves labor and prevents queing, etc. His success is evidenced by the fact that 18 Xerox 4000's have now been rented and there are an additional 20 Xerox machines which are potential candidates for conversion (by Xerox standards). This would add up to an additional \$22,800 minimum per year for the same number of prints but with added convenience and speed.

8. However, a phenomena which invariably occurs with the arrival of a faster machine is that the print volume again begins to rise and this, in turn, will require further upgrading of equipment (by Xerox standards) in a continuous upward spiral which is excellent for Xerox stockholders but may or may not be in the best interests of the Agency.

9. On several occasions, the justifications given for rental of a more expensive Xerox machine were:

- a. Frequent breakdown of the existing rental machine.
- b. The serviceman's alleged inability to keep it running.
- c. The serviceman's recommendation that the newer improved (and more expensive) model be rented instead.

10. Other requesters who submitted requisitions for the Xerox 4000 were not aware of the \$600 increase in price. When advised by PSD they chose to go ahead regardless since authorization had already been obtained.

11. The unnecessary use of a Xerox where another purchased, less expensive, electrostatic copier would do, or the use of the wrong Xerox or the wrong Xerox rental contract, or delays in taking the proper

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action when (a) an unexpected shift in print volume occurs, (b) new equipment is made available, or (c) new pricing schedules are announced or tardiness in submitting meter reports resulting in late payments of monthly bills (3% penalty) can all add up to thousands of dollars of unnecessary additional cost.

12. Since 1968 PSD has used the 1968 DDS memo to OPPB as a policy guideline. It recommended that:

- a. Control of the usage of copiers must be with the directorates.
- b. The directorates must determine the need for copiers.
- c. OL/PSD should assist in the initial determination of the appropriate copying machine (based on stated requirements at that time).
- d. OL/PSD should assist in developing any plans desired by the directorates for copy centers, etc.

In addition, we do review utilization of equipment, but only when requested or when upgrading of equipment is planned by a component. We have served continuously since 1954 as a clearing house in Hqs. and the field for information and assistance on copy machine problems.

CONCLUSIONS

The volume, cost and vital importance of current copying operations are such that they would benefit by, and could well afford, greater managerial policy guidance and controls, and clearer definition of responsibilities.

RECOMMENDATIONS

1. That a DDS coordinator review the current situation with, and solicit recommendations from, OS, OL Supply, Procurement, PSD, OF, SSS/DDS, RMB, Info Control Staff Log Officers, other appropriate

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directorates representatives, in order to develop more efficient procedures for management of copying operations.

2. Suggestions for individual topics for consideration are as follows:

- a. Uniform criteria for required print quality; i. e., when to use Xerox, when other electrostatics will do.
- b. Guidelines from RMB on what should and should not be copied (now producing enough copies to fill 2,000 four-drawer safes per year). Should destruction information be over-printed?
- c. Single point of contact required for copier sales personnel initiating visits to Agency buildings. Restrictions against roving sales activity and visiting of components without advance appointments. Examination of list of contacts to determine if there is a security violation.
- d. Single point of contact required for Agency personnel for contacting of vendors re: new equipment, maintenance, etc.
- e. Mandatory review by PSD of requirements for new equipment before contacting vendors or initiating requisition.
- f. Feasibility and legality of standardization of types of small copiers to simplify supply and parts stocking, maintenance, etc. (14 different copy machine vendors now used).
- g. Xerox meter cards to be sent to central point in Hqs. before going to Xerox. Data from cards to be recorded and utilized promptly to monitor machine usage.
- h. Up-to-date records to be kept of location, types and monthly usage of all 237 machines in use in Hqs. area.
- i. Bulletins to be issued to all users regarding new equipment, accessories, pricing, etc., rather than individual sales visits.

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j. Locked machine available only to authorized users with key (Xerox now has this accessory).

k. Periodical analysis of usage on large volume machines (number of prints per original) to insure most economical rental plan.

l. Subsequent conference with Xerox management to obtain cooperation in carrying out new Agency policies and procedures which may result from recommended study.

STATINTL


Chief, Systems Staff

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